

# FIDELITY BONDING PROGRAM

The **Fidelity Bonding Program (FBP)** of Michigan gives employers the peace of mind to safely provide job opportunities to all individuals with limited risk. A fidelity bond is a business insurance policy of the Travelers Casualty and Surety Company of America that insures an employer against employee theft, forgery, larceny, and embezzlement.

Fidelity bonding provides an incentive for employers to hire job seekers who are qualified, but who are considered high-risk because of a factor in their personal background. The Fidelity Bonding Program allows employers to obtain workers without taking a risk and allows high-risk job seekers to find work. The Fidelity Bonding Program diminishes the risk for employers and reduces the barriers to employment faced by job seekers.

## FEATURES OF THE FIDELITY BONDING PROGRAM

- Free bonding for the first six months of employment
- Bonds available in the amounts of \$5,000-\$25,000
- No deductible
- Easy application process
- Extended coverage available directly from the Travelers Casualty and Surety Company of America

## WHO IS BONDABLE?

Those who cannot be commercially bonded:

- People with poor credit records including bankruptcies
- Economically disadvantaged youth and adults who lack a work history
- Welfare assistance recipients
- Recovering Substance abusers
- Ex-offenders
- Dishonorably discharged from military service
- Youth in apprenticeships

## HOW TO OBTAIN A FIDELTY BOND

- The employer must offer 30 hours or more per week full-time employment for six consecutive months with the stipulation that the high-risk job seeker needs to be bonded.
- The employer must automatically deduct federal taxes from the job seeker's wages.
- The high-risk job seeker must be at least the legal age of 18 years old.
- The employer must type a **"Letter of Employment"** on its letterhead that includes the following:
  1. The name, address, city, state, and zip code of the job seeker
  2. The date that employment was offered
  3. Job title, rate of pay, and conditions of work, i.e., job duties/responsibilities
  4. The statement must appear verbatim, i.e., word-for-word "employment is conditional upon the worker receiving a fidelity bond."
  5. The amount of bonding needed must be stated: \$5,000; \$10,000; \$15,000; \$20,000; or \$25,000
  6. Justification of why more bonding is needed if over \$5,000
  7. Must state that employment is full-time (30 or more hours every week for at least six consecutive months; no independent contracting or self-employment)
  8. The starting date the job will begin
  9. The original signature of the person who has the authority to hire the job seeker. Typed underneath the signature is the name and position of the hiring authority.

*TIA is an equal opportunity employer/program. Auxiliary aids, services, and other reasonable accommodations are available upon request to individuals with disabilities. Printed with federal dollars.*

## FIDELITY BONDING PROCESS

The job seeker will visit the local Michigan Works! Agency, after obtaining a job offer from an employer. The Michigan Works! Bonding Coordinator will meet with job seek and give them a checklist that needs to be completed by the employer (**"Letter of Employment."**) The Michigan Works! Agency Fidelity Bonding Coordinator with begin bonding process as soon as the **"Letter of Employment"** is received from the employer.

## WHAT IS NOT COVERED?

The Fidelity Bonding Program:

- Is not a bail bond or court bond for the legal system.
- Is not a contract bond, performance bond, or license bond for the self-employed.
- Is not a business bond to start a business or enterprise.
- Does not cover liability due to poor workmanship, job injuries, or accidents.
- Does not cover self-employed people, independent contractors, or entrepreneurs.

## ADDITIONAL RESOURCES

The **Pure Michigan Talent Connect** ([www.mitalent.org](http://www.mitalent.org)) is a State of Michigan website developed to connect job seekers with employers. You can search for jobs, post your résumé, and learn about upcoming career events and job fairs at [www.mitalent.org](http://www.mitalent.org).

The **Work Opportunity Tax Credit Program (WOTC)** is a federal credit available to private for-profit employers who hire from specific targeted groups of people who have in the past, experienced difficulty in securing employment, including a maximum credit of \$2,400 for employing individuals who may qualify are: TANF recipients, disabled veterans, unemployed veterans, Food Stamp recipients, vocational rehabilitation work plan participants or ticket-to-work holders, SSI recipients, ex-felons convicted or released within one year of hire or designated community resident who is 18-39 years old. Eligible new hires cannot have a prior work history, cannot be a relative, and must be a U.S. citizen or permanent resident. *Note: Applications must be postmarked within 28 days after the new hire start date. Program forms and more information is available online at [www.michigan.gov/uia](http://www.michigan.gov/uia) or by phone at 800-482-2959 or 313-456-2105.*

**More information is available at**

[www.mitalent.org/bonding](http://www.mitalent.org/bonding)

**or call 517-335-5858.**



**Michigan  
Talent Investment Agency**  
Department of Talent and Economic Development